

MORTGAGE “RECAST” FEATURE

Make a one-time modification of your existing mortgage to lower your payment



“When You Want It Done Right!”

SITUATION:

You need to close on your mortgage now, but you will be receiving a lump sum of cash after closing that you wish to use to pay down your mortgage. The money may come from the sale of real estate, an upcoming bonus, the settlement of an estate, a pending lawsuit, or some other source.

FEATURES:

You obtain your new mortgage, putting down at least 5% from your own savings. At some point in the future, you receive the additional money, which you then wish to put towards your home loan. You send the lump sum to your lender who applies this money towards principal and “recasts” your loan. The result is a reduction of your principal and interest payment to an amount corresponding with the reduced loan amount.

BENEFITS:

You reduce your payment without changing your interest rate, changing your loan term, or having to refinance.

DETAILS:

- Must make arrangements for your loan to have this feature at time of interest rate lock-in
- There is a \$200 administrative fee which is paid when loan is “recast”
- Some modified documents will need to be signed when the loan is “recast”
- Minimum amount of principal reduction to “recast” is \$5,000
- Available only on conventional loans up to maximum conforming loan amount of \$417,000
- No time limit to “recast”, but can only be done once
- Available on fixed-rate loan programs only
- Mortgage insurance (if required) is not automatically eliminated at time of “recast” (standard guidelines apply)

Fairfield Mortgage Associates
“When You Want It Done Right!”
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